



March 2023 Credit Risk Report

# FHA Single Family Loan Performance Trends



Office of Risk Management and Regulatory Affairs, Office of  
Evaluation, Reporting & Analysis Division

## Table of Contents

---

Table 1. Delinquency Rates by Month.....	2
Table 2. New 90+ Day Delinquencies by Reason for Delinquency .....	3
Table 3. Delinquency Rates by Loan and Property Characteristics.....	4
Table 4. Monthly Foreclosure Statistics and Trends.....	6
Table 5. REO Recovery Rates .....	7
Table 6. REO Components of Loss by Property Disposition Month .....	9

## Table of Figures

---

Figure 1: Failure Rate by Fiscal Year .....	10
---	----

**Table 1. Delinquency Rates by Month**

Month	Active Insurance in Force (EOM)	Delinquency Rates <sup>a</sup> (%)			Exceptions <sup>b</sup> (%)		Serious Delinquency Rate <sup>c</sup> (%)
		30-day	60-day	90-day	In Foreclosure	In Bankruptcy	
<b>Non-Seasonally Adjusted</b>							
Mar 2022	7,279,440	3.61	1.18	4.83	0.62	0.55	6.00
Apr	7,256,669	3.73	1.04	4.15	0.60	0.49	5.23
May	7,241,481	4.20	1.21	4.03	0.64	0.52	5.19
Jun	7,238,927	4.45	1.35	3.84	0.64	0.52	5.00
Jul	7,243,496	4.92	1.50	3.76	0.63	0.54	4.93
Aug	7,251,083	4.69	1.54	3.66	0.63	0.53	4.82
Sep	7,263,194	4.73	1.56	3.66	0.58	0.52	4.77
Oct	7,277,614	4.91	1.63	3.70	0.55	0.52	4.77
Nov	7,297,596	5.25	1.77	3.71	0.55	0.52	4.79
Dec	7,314,834	5.56	1.84	3.82	0.57	0.52	4.91
Jan 2023	7,334,648	5.18	1.77	3.80	0.59	0.51	4.90
Feb	7,342,653	5.30	1.70	3.74	0.60	0.51	4.86
Mar	7,358,889	4.56	1.48	3.44	0.60	0.50	4.53
<b>Seasonally Adjusted</b>							
Mar 2022	7,279,440	4.17	1.37	5.03	0.61	0.55	6.18
Apr	7,256,669	4.07	1.18	4.35	0.58	0.49	5.42
May	7,241,481	4.47	1.34	4.27	0.63	0.52	5.42
Jun	7,238,927	4.51	1.43	4.07	0.64	0.51	5.22
Jul	7,243,496	5.04	1.54	4.02	0.63	0.54	5.19
Aug	7,251,083	4.57	1.50	3.80	0.63	0.54	4.97
Sep	7,263,194	4.53	1.47	3.68	0.60	0.53	4.81
Oct	7,277,614	4.63	1.50	3.65	0.57	0.52	4.73
Nov	7,297,596	4.77	1.57	3.47	0.56	0.52	4.55
Dec	7,314,834	4.93	1.61	3.49	0.57	0.52	4.58
Jan 2023	7,334,648	4.97	1.59	3.42	0.59	0.51	4.51
Feb	7,342,653	5.40	1.73	3.55	0.59	0.51	4.66
Mar	7,358,889	5.27	1.71	3.57	0.58	0.50	4.66

EOM = end of month.

<sup>a</sup> The 90-day category includes all loans that are at least 3 months delinquent excluding those loans in-foreclosure or in-bankruptcy processing. Included in the delinquency counts are loans under active consideration for loss mitigation foreclosure avoidance.

<sup>b</sup> Exceptions are counted separately from delinquencies, regardless of the length of the delinquency period.

<sup>c</sup> Serious delinquency rates are the sum of 90 day delinquencies, plus in-foreclosures and in-bankruptcies. Due to differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end. Due to late reporting by a large servicer, the delinquency rates for April 2022 are likely understated.

SOURCE: U.S. Department of HUD/FHA, April 2023.

**Table 2. New 90+ Day Delinquencies by Reason for Delinquency**

Fiscal Year and Quarter	New 90+ Day Delinquencies	Share by Reason for Delinquency (%)							
		Reduction of Income	Unemployed	Excessive Obligations	Death or Illness of Principal Borrower or Family	Marital Difficulties	No Contact	National Emergency <sup>a</sup>	Other <sup>b</sup>
2018 Q1	157,518	23.66	4.40	21.73	8.40	2.37	7.25	1.90	30.29
2018 Q2	88,639	28.25	5.85	23.36	11.39	3.19	8.77	2.52	16.67
2018 Q3	64,412	29.59	6.19	23.61	12.31	3.67	8.98	4.00	11.64
2018 Q4	84,227	29.86	6.25	23.83	12.50	3.72	8.84	4.83	10.17
2019 Q1	92,099	29.23	6.03	23.87	12.44	3.45	8.73	6.07	10.17
2019 Q2	84,806	28.78	6.09	22.87	12.34	3.45	8.71	8.31	9.45
2019 Q3	69,309	26.74	5.75	22.13	12.27	3.47	8.03	12.30	9.30
2019 Q4	90,559	25.27	5.30	21.66	11.43	3.08	7.46	16.96	8.83
2020 Q1	114,293	21.47	4.43	18.27	9.43	2.38	6.66	25.66	11.69
2020 Q2	86,763	17.40	4.25	15.32	7.71	1.87	7.70	37.95	7.81
2020 Q3	467,567	5.89	1.90	2.88	1.12	0.23	1.33	82.07	4.56
2020 Q4	350,807	4.90	1.74	2.65	1.08	0.21	1.44	84.00	3.98
2021 Q1	190,208	5.51	2.01	3.55	1.76	0.35	2.51	80.36	3.95
2021 Q2	139,448	5.43	2.06	3.74	2.05	0.33	2.92	79.28	4.20
2021 Q3	79,506	5.62	1.95	4.52	2.81	0.46	3.57	76.50	4.57
2021 Q4	85,580	6.57	2.03	5.84	3.33	0.62	4.33	72.60	4.69
2022 Q1	106,152	6.99	2.03	6.47	3.67	0.65	4.42	70.60	5.18
2022 Q2	109,927	8.41	2.38	7.36	4.31	0.78	4.67	66.66	5.45
2022 Q3	95,253	10.17	2.92	9.02	5.28	0.96	4.88	60.69	6.07
2022 Q4	121,781	12.73	3.76	10.31	6.07	1.16	4.84	55.19	5.94
2023 Q1	137,916	14.58	4.35	11.31	6.65	1.31	5.77	48.37	7.67
2023 Q2	119,593	16.18	5.10	11.52	7.29	1.28	10.55	40.96	7.13

<sup>a</sup> Includes neighborhood problems and COVID-19 Pandemic.

<sup>b</sup> Includes abandonment of property, distant employment transfer, property problems, inability to sell or rent property, military service, business failure, casualty loss, energy-environment cost, servicing problems, payment adjustment, payment dispute, transfer of ownership pending fraud and incarceration. Due to late reporting by a large servicer, delinquency for February 2021 and April 2022 are likely understated. SOURCE: U.S. Department of HUD/FHA, April 2023.

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Serious Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Purpose</b>								
All Active Loans	7,358,889	10.58	4.56	1.48	3.44	0.60	0.50	4.53
Purchase	70.20	12.01	5.15	1.71	3.97	0.65	0.53	5.15
Refinance	29.80	7.21	3.17	0.94	2.18	0.48	0.43	3.09
<b>Refinance</b>								
Refinance Loans	2,192,905	7.21	3.17	0.94	2.18	0.48	0.43	3.09
Conventional	30.66	8.01	3.41	1.05	2.32	0.70	0.53	3.54
No Cash-out	15.97	7.93	3.41	1.03	2.21	0.73	0.54	3.48
Cash-out	14.69	8.10	3.41	1.08	2.43	0.67	0.51	3.61
FHA	18.29	6.77	3.09	0.91	2.14	0.29	0.34	2.77
No Cash-out	8.00	6.75	3.06	0.86	2.14	0.31	0.37	2.82
Cash-out	10.29	6.79	3.11	0.95	2.14	0.27	0.33	2.74
Streamline	51.05	6.88	3.06	0.89	2.11	0.42	0.40	2.93
<b>Credit Score Range<sup>d</sup></b>								
Loans with Credit Scores	6,037,170	10.98	4.71	1.54	3.63	0.60	0.50	4.73
< 500	0.08	23.00	9.22	3.22	7.04	1.60	1.92	10.56
500-579	1.61	20.01	8.29	2.88	5.97	1.46	1.41	8.84
580-619	8.77	19.00	7.72	2.80	6.43	1.10	0.95	8.48
620-659	34.72	14.84	6.38	2.11	4.95	0.74	0.67	6.36
660-719	39.13	8.33	3.66	1.13	2.74	0.46	0.35	3.54
720-850	15.70	3.58	1.59	0.46	1.11	0.28	0.14	1.53
<b>Fiscal Year Cohort</b>								
All Cohorts	7,358,889	10.58	4.56	1.48	3.44	0.60	0.50	4.53
pre-2008	8.06	13.27	5.86	1.98	3.67	0.97	0.79	5.43
2008	1.60	17.02	6.95	2.31	4.77	1.70	1.29	7.76
2009	3.12	12.38	5.16	1.69	3.42	1.22	0.89	5.54
2010	3.77	9.90	4.28	1.36	2.81	0.82	0.64	4.26
2011	3.01	8.50	3.73	1.15	2.45	0.65	0.52	3.62
2012	3.84	7.03	3.08	0.98	2.03	0.49	0.44	2.96
2013	5.41	5.96	2.69	0.80	1.66	0.42	0.39	2.47
2014	2.31	11.60	4.90	1.57	3.37	0.85	0.90	5.12
2015	3.88	11.88	5.16	1.56	3.45	0.77	0.94	5.16
2016	5.46	11.88	5.26	1.54	3.41	0.75	0.92	5.08
2017	6.01	12.88	5.62	1.72	3.83	0.82	0.90	5.55
2018	4.90	16.51	6.65	2.28	5.46	1.15	0.96	7.58
2019	4.93	17.18	6.86	2.41	5.99	1.20	0.73	7.92
2020	9.86	10.81	4.57	1.51	3.92	0.51	0.29	4.72
2021	16.42	8.94	3.87	1.25	3.44	0.23	0.15	3.83
2022	12.99	9.03	3.97	1.37	3.46	0.15	0.08	3.69
2023	4.42	2.54	1.66	0.51	0.37	0.00	0.00	0.38

**Table 3. Delinquency Rates by Loan and Property Characteristics**

	IIF Shares <sup>a</sup>	Rates in Percent of Active Loan Counts						Seriously Delinquency Rate <sup>c</sup>
		All Past Due <sup>b</sup>	30 Day	60 Day	90+ Day	In Foreclosure	In Bankruptcy	
<b>Loan Amount at Origination (\$ thousands)</b>								
All Loan Amounts	7,358,889	10.58	4.56	1.48	3.44	0.60	0.50	4.53
< 50	1.87	10.96	4.64	1.51	2.99	1.23	0.59	4.81
50-99	17.59	10.27	4.46	1.42	2.91	0.86	0.62	4.39
100-149	23.02	10.52	4.58	1.46	3.20	0.66	0.62	4.48
150-199	19.35	10.82	4.73	1.50	3.50	0.55	0.54	4.59
200-249	13.92	10.74	4.67	1.50	3.67	0.47	0.42	4.57
250-399	19.26	10.72	4.54	1.54	3.89	0.41	0.33	4.63
400-499	3.14	9.85	4.01	1.48	3.79	0.38	0.19	4.36
> 499	1.84	9.74	3.67	1.44	4.00	0.49	0.15	4.64
<b>Property Type</b>								
All Property Types	7,358,889	10.58	4.56	1.48	3.44	0.60	0.50	4.53
Detached	85.51	10.73	4.66	1.51	3.47	0.57	0.51	4.55
Manufactured Housing	3.98	9.61	4.14	1.30	2.89	0.77	0.51	4.17
2-4 Units	2.57	8.38	3.13	1.07	3.01	0.93	0.24	4.18
Condo	2.42	7.85	3.11	1.02	2.59	0.69	0.44	3.71
Townhouse	5.51	11.19	4.62	1.57	3.89	0.65	0.46	5.00
<b>Purchase Loan Type</b>								
All Purchase Loans	5,165,680	12.01	5.15	1.71	3.97	0.65	0.53	5.15
Repeat	14.72	9.82	4.42	1.37	3.08	0.49	0.45	4.02
First-time	85.28	12.38	5.27	1.77	4.12	0.68	0.54	5.34
<b>Down Payment Assistance (DPA) Type</b>								
All Sources of Funds	7,358,889	10.58	4.56	1.48	3.44	0.60	0.50	4.53
Government	9.32	12.42	5.12	1.75	4.37	0.64	0.54	5.55
Relative	16.46	14.31	6.16	2.05	4.78	0.74	0.58	6.10
Other	1.72	15.01	6.36	2.20	4.69	0.83	0.92	6.45
Seller Funded	0.41	19.88	8.07	2.95	5.74	1.50	1.62	8.86
No DPA	72.09	9.33	4.06	1.29	2.96	0.55	0.46	3.97

IIF = insurance in force.

<sup>a</sup> For each subpanel, the loan shares add to 100%. However, in some of the subpanels, the total loans in the analysis do not add to 100% of IIF. For example, the IIF shares for refinance loans add to 100% of refinance loans. Streamline refinance loans are not included in the Credit Score Range analysis; the IIF shares in that panel, add to 100% of fully-underwritten loans.

<sup>b</sup> Includes all loans 30 or more days past due, including those in bankruptcy or foreclosure.

<sup>c</sup> Includes all loans 90 days past due plus all in-bankruptcy and in-foreclosure cases.

<sup>d</sup> Credit score reporting began in May 2004 but was not mandatory until July 2008. Streamline Refinance loans do not require credit score reporting. Due to differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end.

SOURCE: U.S. Department of HUD/FHA, April 2023.

**Table 4. Monthly Foreclosure Statistics and Trends**

Fiscal Year	Month	Insurance in Force	Foreclosure Starts	In Foreclosure	Foreclosure Claims <sup>a</sup>	Foreclosure Starts: 6-month MA <sup>b</sup>	Annualized Foreclosure Rate <sup>c</sup> %
2020	Mar	8,122,723	6,148	45,107	3,910	9,232	0.58
	Apr	8,118,070	79	32,204	3,363	7,602	0.50
	May	8,098,590	303	27,748	2,301	6,202	0.34
	Jun	8,066,691	448	20,552	2,082	4,746	0.31
	Jul	8,038,312	601	20,737	1,800	3,030	0.27
	Aug	8,013,146	386	20,789	1,589	1,328	0.24
	Sep	7,988,354	485	20,009	1,666	384	0.25
2021	Oct	7,953,267	418	19,270	1,644	440	0.25
	Nov	7,913,900	396	17,932	1,342	456	0.20
	Dec	7,872,710	432	17,397	1,479	453	0.23
	Jan	7,854,545	370	17,037	1,206	415	0.18
	Feb	7,820,058	503	13,862	1,250	434	0.19
	Mar	7,754,867	589	15,667	1,540	451	0.24
	Apr	7,712,623	516	15,230	1,130	468	0.18
	May	7,675,350	460	15,061	981	478	0.15
	Jun	7,627,918	545	15,607	1,088	497	0.17
	Jul	7,588,572	719	15,804	916	555	0.14
Aug	7,546,269	1,097	27,891	979	654	0.16	
Sep	7,498,614	806	52,834	830	691	0.13	
2022	Oct	7,457,304	996	46,526	735	771	0.12
	Nov	7,408,662	1,913	81,541	723	1,013	0.12
	Dec	7,369,234	1,927	132,560	738	1,243	0.12
	Jan	7,344,489	6,218	58,513	820	2,160	0.13
	Feb	7,313,781	6,409	42,421	784	3,045	0.13
	Mar	7,279,440	12,484	45,348	1,085	4,991	0.18
	Apr	7,256,669	7,255	43,255	1,236	6,034	0.20
	May	7,241,481	7,001	46,203	1,111	6,882	0.18
	Jun	7,238,927	7,397	46,146	1,113	7,794	0.18
	Jul	7,243,496	6,402	45,616	1,071	7,825	0.18
Aug	7,251,083	7,112	45,509	1,312	7,942	0.22	
Sep	7,263,194	6,540	42,427	1,125	6,951	0.19	
2023	Oct	7,277,614	6,199	40,020	1,042	6,775	0.17
	Nov	7,297,596	6,054	40,499	1,013	6,617	0.17
	Dec	7,314,834	6,619	41,967	1,044	6,488	0.17
	Jan	7,334,648	7,184	43,335	1,017	6,618	0.17
	Feb	7,342,653	7,342	44,386	1,238	6,656	0.20
	Mar	7,358,889	7,839	44,042	1,377	6,873	0.22

<sup>a</sup> This is the number of claims paid by HUD. These are nearly all for completed foreclosure actions.

<sup>b</sup> The six-month moving average of foreclosure starts is presented here to smooth out variations in actual starts each month.

<sup>c</sup> An annualized foreclosure rate takes the monthly foreclosure claim rate and transforms that into its annual equivalency. That is, if the same foreclosure claim rate continued for 12 straight months, then the figure is the final annual foreclosure rate result as a percentage of beginning insurance-in-force. Due to differing reporting methodologies, the delinquency and foreclosure numbers shown above may not fully reconcile with other FHA reporting areas. These differences reflect ordering of intra-month default status codes which may result in different delinquency statuses of mortgages during a month and at month end.

SOURCE: U.S. Department of HUD/FHA, April 2023.

**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		February 2023	January 2023	February 2022	From Previous Month	From Previous Year
US	271	70.2	67.7	67.1	2.6	3.2
PR	47	83.4	70.8	60.5	12.6	22.9
OH	15	59.2	44.8	53.3	14.3	5.8
TX	15	68.4	68.1	73.3	0.3	-5.0
MO	14	52.9	67.1	118.3	-14.2	-65.5
AL	13	87.9	83.7	54.1	4.2	33.8
LA	13	43.6	55.4	52.9	-11.8	-9.3
IN	12	66.6	82.9	71.7	-16.4	-5.1
PA	12	73.0	36.3	50.9	36.7	22.2
CT	11	69.3	44.8	58.4	24.6	10.9
GA	10	74.6	77.7	134.7	-3.1	-60.1
IL	9	50.2	55.8	52.6	-5.5	-2.4
KY	8	64.8	32.9	82.2	31.9	-17.4
VA	8	79.7	86.2	89.6	-6.5	-9.9
MD	7	79.3	97.8	91.0	-18.5	-11.7
MI	7	66.7	38.6	81.3	28.0	-14.7
NC	6	57.2	95.1	110.3	-37.9	-53.1
NJ	6	48.3	89.4	27.3	-41.1	21.1
NY	6	19.3	41.6	22.5	-22.3	-3.2
CA	4	92.8	na	128.1	na	-35.3
FL	4	83.3	81.6	80.5	1.7	2.8
KS	4	65.2	44.3	-12.0	20.9	77.2
AR	3	58.5	80.7	70.5	-22.2	-12.0
CO	3	89.6	100.6	na	-11.0	na
MA	3	75.8	99.3	na	-23.5	na
ND	3	64.9	77.1	55.7	-12.2	9.2
NM	3	32.5	81.0	85.5	-48.5	-52.9
SC	3	50.6	na	64.2	na	-13.6
UT	3	102.8	na	103.8	na	-1.0
WI	3	52.7	16.0	55.2	36.7	-2.4
AZ	2	70.5	na	196.8	na	-126.3
MS	2	92.2	35.5	103.4	56.7	-11.2
TN	2	164.0	91.4	128.4	72.6	35.5
WV	2	30.3	na	23.4	na	6.8
WY	2	77.0	95.5	na	-18.4	na
AK	1	20.4	na	71.8	na	-51.5
IA	1	63.5	38.3	53.0	25.2	10.5
NE	1	65.0	na	76.0	na	-11.0
NH	1	160.6	na	na	na	na
OK	1	61.2	57.7	63.2	3.6	-2.0



**Table 5. REO Recovery Rates**

Disposition State <sup>b</sup>	Dispositions	Recovery Rates (%)			Percentage Point Change	
		February 2023	January 2023	February 2022	From Previous Month	From Previous Year
VT	1	45.3	na	67.2	na	-21.9
ID	0	na	na	148.4	na	na
MN	0	na	53.4	92.0	na	na
MT	0	na	26.6	na	na	na
NV	0	na	na	147.0	na	na
OR	0	na	59.9	96.3	na	na
RI	0	na	122.9	43.6	na	na
SD	0	na	na	75.6	na	na

na = not applicable

<sup>a</sup> Rates are percentages of unpaid loan balance at time of default.

<sup>b</sup> State records are sorted by number of dispositions in the most recent month (largest to smallest).

SOURCE: U.S. Department of HUD/FHA, April 2023.

**Table 6. REO Components of Loss by Property Disposition Month**

Disposition Month	2023		2022										
	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb
<b>Loss Components as Percent of Defaulted Loan Balance</b>													
Claim Expenses <sup>a</sup> (%)	25.27	25.30	25.71	25.71	24.66	26.43	28.75	25.17	26.06	27.27	26.75	25.99	27.46
Holding Costs <sup>b</sup> (%)	8.05	8.28	8.20	8.30	8.72	9.02	9.47	9.28	8.02	8.49	7.93	7.28	7.48
Loss on Collateral <sup>c</sup> (%)	8.89	5.96	8.74	7.84	4.09	5.12	10.36	10.70	14.45	10.78	9.24	7.92	2.96
Sales Expense (%)	6.41	6.32	6.68	6.47	6.26	6.37	6.46	6.58	6.83	6.84	6.93	6.70	6.38
Program Discounts <sup>d</sup> (%)	0.00	0.00	0.24	0.20	0.47	0.25	0.00	0.00	0.40	0.66	0.52	0.36	0.36
Net Loss Rate <sup>e</sup> (%)	29.75	32.34	31.58	29.78	30.33	32.39	33.73	25.28	23.53	28.71	27.70	27.08	32.92
<b>Average Amount</b>													
Average Dollar Loss (\$)	37,053	38,966	37,100	37,981	35,886	39,268	41,406	30,166	29,275	34,548	33,005	33,480	41,237
Average Unpaid Balance (\$)	124,547	120,493	117,480	127,539	118,319	121,245	122,763	119,312	124,398	120,353	119,159	123,647	125,251
<b>Occurrence Counts</b>													
Number of Dispositions	271	204	271	253	232	218	218	212	227	267	290	306	221
Number of Discounts	0	0	1	1	2	1	0	0	1	3	2	2	2
<b>Stage</b>													
<b>Average Time in Months</b>													
Delinquency <sup>f</sup>	13.2	15.2	14.1	14.4	15.6	16.1	10.7	12.4	10.8	11.7	10.7	11.4	9.6
Foreclosure <sup>g</sup>	18.3	17.9	19.3	19.7	17.5	15.9	18.3	19.4	19.8	16.5	16.6	16.5	17.6
Deed Transfer <sup>h</sup>	12.8	11.7	10.9	13.0	14.2	13.9	15.7	16.3	15.6	19.5	16.9	18.3	18.5
REO	5.9	5.4	5.7	5.4	5.5	6.1	6.2	6.6	6.0	6.9	6.2	6.2	6.6
All Stages	49.8	49.7	49.9	52.4	52.4	51.7	51.3	54.4	51.6	54.3	50.4	52.2	51.8

<sup>a</sup> Includes interest on principal.

<sup>b</sup> Management, maintenance, repairs, administration, and security, net of rent and other income.

<sup>c</sup> Value when foreclosed (UPB) minus value received in REO; does not include Streamline refinances.

<sup>d</sup> Rate over all dispositions; effect is greater in the cases where a discount actually is given.

<sup>e</sup> Profit (loss) divided by Unpaid Principal Balance (UPB). The listed cost categories are not exhaustive and may exclude certain recoveries; they will not sum to the loss rate.

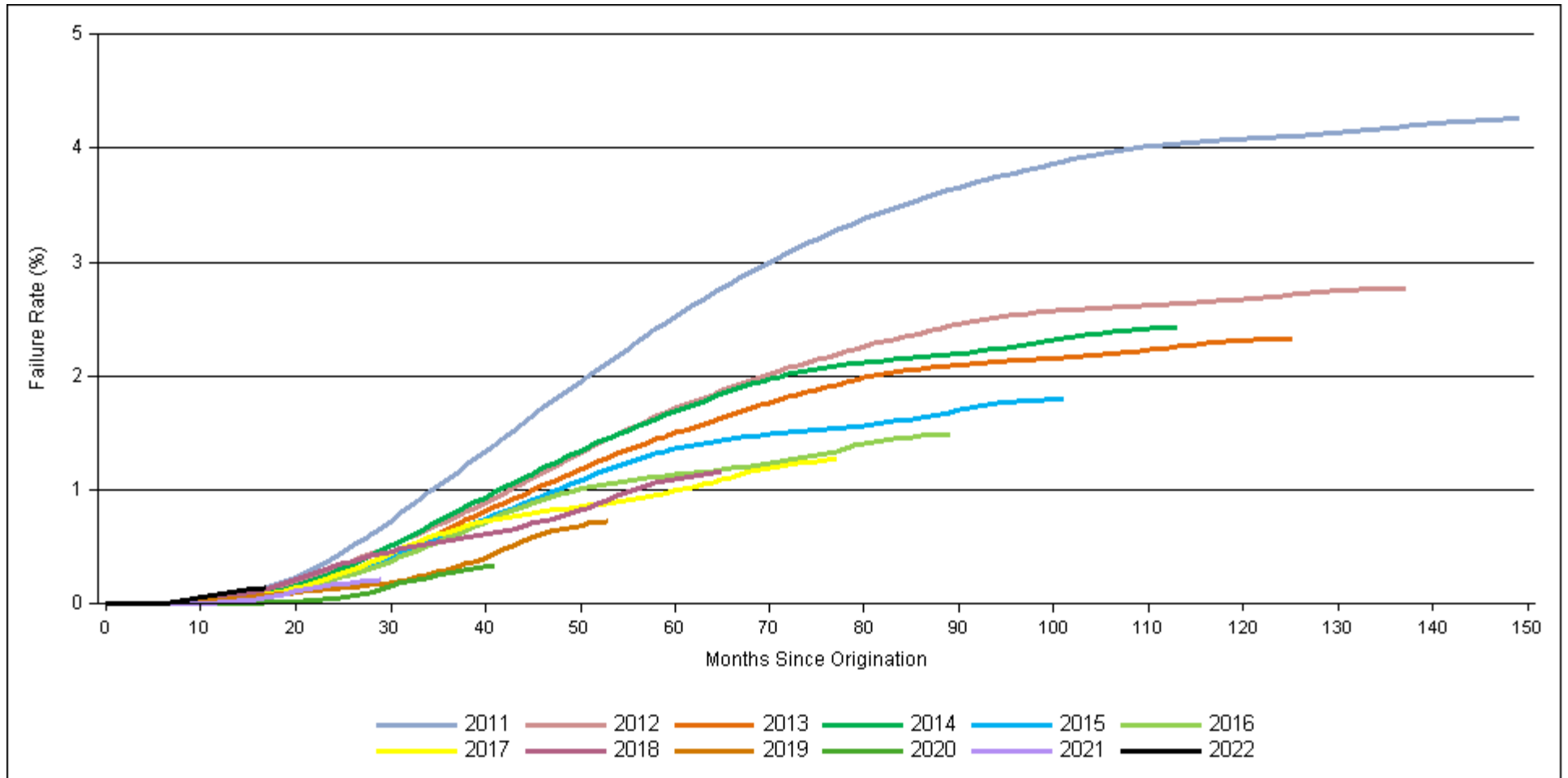
<sup>f</sup> First missed payment to date foreclosure initiated.

<sup>g</sup> Initiation of foreclosure proceedings to auction date.

<sup>h</sup> Auction date to HUD acquisition date.

SOURCE: U.S. Department of HUD/FHA, April 2023.

Figure 1. Failure Rate by Fiscal Year



NOTES: A loan that is in foreclosure processing or has gone to claim is deemed to be a 'failure' for this illustration. The failure rate is the sum of Cumulative Claim Rate and Cumulative Active Foreclosure Rate divided by Total Loans.

SOURCE: U.S. Department of HUD/FHA, April 2023.